

The Business of Insight

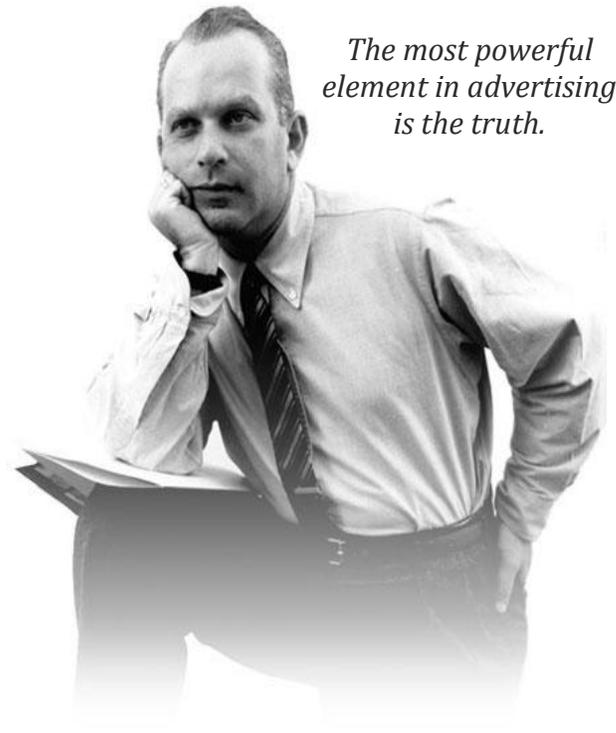
This white paper is an apologetic for the industry and the practice of creating marketing strategy and communications. We pay homage to the sometimes lost art of informing and inspiring creativity to its maximum use in the field of branding. We will look both backward and forward. Most importantly, we will articulate a premise for the increased importance of branding in marketing communications.

Part One: Mr. Bernbach Revisited

Bill Bernbach famously opined: “the most powerful element in advertising is the truth.” He railed against any technique that did not begin with the truth and encouraged his people to be craftsman. He said advertising is more art than science and believed firmly in tapping the essence of what the product itself offered.

A man of his time, ahead of his time and an outspoken sage for his industry. In light of countless developments occurring in branding, the marketing communications industry and the practice of creating and managing marketing campaigns, we believe it is critical to “stay centered” on principles that work.

You have a choice...you can write this off as “old school” or you can say: “no, that’s right. It was always right and it always will be.” The only change we might suggest is that the basis for the best communications has to be universal truth. The more universal, the broader the reach and the deeper the relationship.



BREADTH + DEPTH = MARKET SHARE & CUSTOMER LOYALTY.

In other words, the marketer’s ability to discover, capture and express truth is fundamental to effective brand building. We hope your inference here is that not all advertising, public relations or marketing effort of any kind has to do with the truth. We believe that is a profound mistake. What Mr. Bernbach referred to as truth, we might now call “insight” or that kernel of resonate, meaningful, compelling bit of information that attaches itself to the consumer in a way that attracts and keeps customer.

Beginning in the 1980s, the marketing communications industry, then primarily lead by the so-called “Madison Avenue” agencies, began to shift away from relying primarily on quantitative data collection to inform marketers and to evaluate advertising and campaign potential. Research did not necessarily produce truth, only a sort of scientific, too clinical, facsimile of it. In the 1990s, more qualitative approaches became popularized, largely by the “account planning movement.” The result too often was mush. For three years,

every creative brief included the word: joy. Joy is good, but is it always the most compelling way to sell a product? Somewhere the product, or the connection between product and consumer value, was lost.

The state of the craft today is even bleaker. So great is the use of borrowed interest and shock value in many very well resourced advertising campaigns that you have to wonder. Mr. Bernbach's other great instruction to creative people: "don't turn a man upside down in your ad unless you are selling me spill-proof pockets" has itself been turned on its head. Absurdity makes for a great compliment to the entertainment value of the Super Bowl but it isn't exactly brand building. We call it "Oddvertising." Every year there is an animal doing something animals don't do. This year we saw two advertisers in a row with their pants down...literally, spots that featured people in their underwear in attempt to make us chuckle or smirk our way into their brand. I don't think so.

And for way too many marketers, or their agencies, the goal shifted. The goal now appears to be who can attract the most attention to their ad, not their client's product. Who will win the contest in tomorrow's USA today? Who will be on the morning talk shows? Who will get the most YouTube votes? It's all pretty conspicuously about something other than what was once the primary job of advertising and marketing: to create demand.

Another trend is also questionable. The "crowd sourcing" movement. On the one hand, many marketers have made great strides including the customer in their culture. Customer involvement, when done right, can facilitate product design, improve service levels, monitor product selection in stores and drive customer advocacy. The technology available, for instance a Ning Network, is increasing the possibilities literally on a daily basis. The problem is, many marketers do not have a strategy. They have a "one-off" mentality and place the destiny of their brand in the hands of an unschooled crowd in total abdication of their responsibility to build the brand. A sales promotion run amok.

A final trend we point to is the introduction of a new breed of marketer that is largely defined by their technical prowess. They are the entrepreneurs who have great mastery over the applications, widgets and gadgets. The SEO, pay-per-click, app-embedding, metro-marketer who can create the internet free space or serious social application function. Too often, they have all the tactics but never the strategy. Still, this is the frontier, but that doesn't make it a sure bet. Anything but.

In contrast to these offenses, there are still the fundamental disciplines of brand building. And, at no time have there been better resources and more advantages to the marketing practitioner than there are today. To name a few:

- Targeted marketing is potentially more precise than ever thanks to the increasingly robust capabilities of services like PRIZM and the many databases that allow file appending to customer files so that more detailed profiles of target groups can be built;
- Behaviorally based marketing is coming of age thanks to advances in electronic technology making behaviorally based targeting a reality;
- Internet research panels and even simple applications such as "Survey Monkey" can be used to provide quick data collection on simple topics that can lead to insight;
- Social media is allowing marketers to learn more quickly and inexpensively how consumers react because it allows tracking of preferences, conversations and behavior;

In other words, marketers have more and better information to work with than they have ever had before. Have we made good use of it? Not always. Maybe not even most of the time.

The risks are greater also. As education attainment, cultural sophistication and access to technology increase, the consumer has more power. Does an iPhone application that allows a consumer to scan a bar code and

instantly learn of the availability and price of the scanned product within a ten minute radius from that location create a more perfect market? You bet it does. That same empowerment is making its presence felt in the consumer communications channel as well.

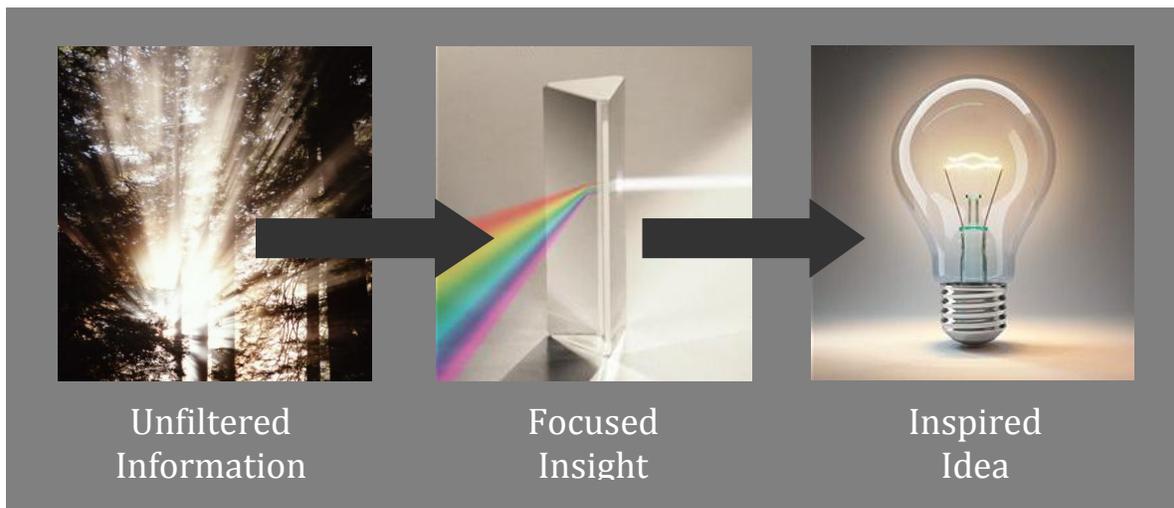
So, we've traveled a road and not without a few bumps along the way. Here is our summary of where we've been, narrated by, you guessed it, Bill Bernbach.

1960s	1970s	1980s	1990s	2000s
Advertising Science	Large-Scale Quantitative	Agency Diversification	Account Planning	Social Revolution
<i>I warn you against believing advertising is a science.</i>	<i>We don't ask research to do what it was never meant to do and that is get an idea.</i>	<i>A great ad campaign will make a bad product fail faster.</i>	<i>The most powerful element in advertising is the truth.</i>	<i>Word of mouth is the best medium of all.</i>

If the 1980s were a period of great transition in the marketing industry, the new millennium promises great integration of science and artistic craft. When it comes to "telling the truth" or discovering and exploiting a "universal truth," we have never been so advantaged. But, only if we make true use of all the tools available.

Part Two: A Premise That Produces Ideas

Our premise is simple: information creates insight and insight permits ideas to form. It is the idea, and it always has been the idea, that builds a brand. In other words, ideas are dependent on insight and insight is dependent on information. The better the information, the better the insight, the better the insight the more likely the idea.



Obviously some people have more ideas than others. And, some people have more good ideas than bad ones. We also believe that there are techniques that can improve the production and quality of ideas.

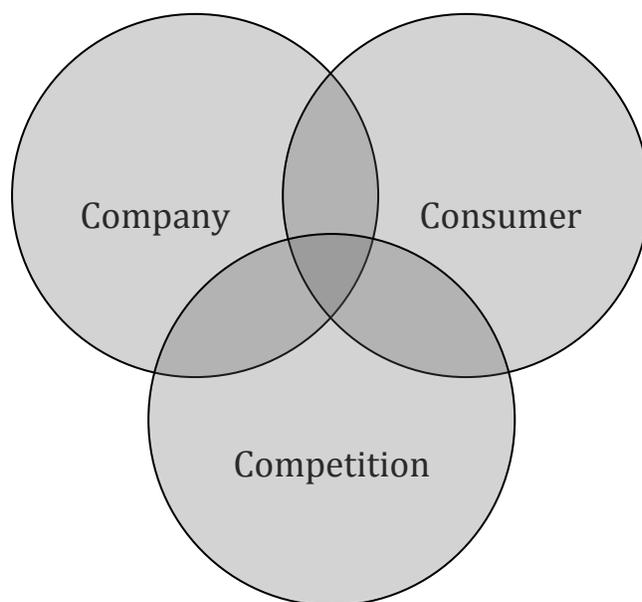
As this visual metaphor suggests, ideas happen when we take what occurs naturally (light bursting through trees), apply technique (the PRISM separates the raw energy) and exploit technology (the light bulb uses light to a commercial purpose). In other words we need the right information, the right techniques and the inspired minds to actually do something with it. The reason that most marketing communications fail (and that is another white paper) is that usually one or more of these elements is absent. Researchers trying to get creative; technocrats in search of a strategy; a creative execution void of universal truth. It turns out, there are a lot of ways to fail and not many ways to succeed.

But there are ways to vastly improve your chances. Understand the information sources available to you. We separate them into the following information domains: environmental, contextual, behavioral.

The Environmental Domain is the culture at large. What is going on? What are the trends, for example is neo-traditionalism or post-modernism impacting your brand? Is there changing legislation, for example NAFTA or does your product contain a battery that uses lead? Are the business models changing, for example is your industry going off-shore or becoming productized? Today there is an unprecedented amount of packaged and “mashed” information available in the form of directories, trend databases, blogs, discussion groups and websites on just about any topic. Environmental information is more obtainable than ever.

The Contextual Domain is comprised of three spheres: the company (or product or service), the consumer (or various constituencies that affect your brand’s destiny) and the competition (or relevant peer group in some cases). Information from these three spheres can be used to “triangulate” a brand value proposition. We do that by solving for three strategic criteria:

- What is the most valid claim we can make relative of the company/product/service? By valid, we mean “truth.” There are typically many truths that can be told. We are seeking the most enduring, transcending and universal truth.
- What is the most motivating claim we can make to the consumer? By motivation, we are meaning behavioral reaction. More than awareness, attitude change or “feel good” communication, we aspire to really make something happen...to engage in a way that creates a reaction.
- What is the most differentiating claim we can make relative to the competition? In other words, how can we separate the brand from other brands or alternatives. In a “surplus economy” this is critical.



The Behavioral Domain is the gold mine of marketing. With advances in CRM, database marketing and the cookie technology, we can track and analyze behavior. By looking at behavioral data, other less precise ways to segment markets, target and deliver targeted messages are becoming obsolete. Why bother with broad-based demographics if you have direct knowledge of who your customers are, who the best 20% are what their product format, channel, media and purchase preferences are?

While often anecdotal, the information we are getting through social media is changing the way we learn about consumers and their needs. The sources of “digital archeology” are now facebook and twitter. But that will change too. It has to be ongoing. Visit your facebook page, read your tweets, join the conversation in the most authentic way possible. Be nice, be real, be trustworthy, be successful. Are there biases in looking at social media conversations? Absolutely, just as there are in sitting in on a couple of focus group conversations or reading a dataset from a telephone study. Every form of research or feedback has built-in biases. But the learning available from watching behavior, and the conversations that accompany it, are among the richest sources of learning.

When we immerse the right people with information, it leads to insight. With insight into the lives of our customers, the values associated with a product or the advantages we have over a competitor, we are well prepared for the marketing battle. We call this process a “Context Analysis.” The most successful marketers understand fully the context in which they compete. The least successful are still throwing ideas at the wall and seeing what sticks or, they are implementing tactics with no idea supporting them at all.

candescence is an insight-driven company. We have well-honed and well-practiced techniques to gather information that you, your industry and your competition do not have. We have the professional talent to put it to use and we have the services to create and activate a true branding campaign.

*can*descence is a growth strategy firm focused on brand strategy development, marketing ideation, market research and brand campaign activation and supervision. The firm works in the corporate and not-for-profit sectors and boasts a suite of proven strategy development techniques that are efficient, collaborative and that yield actionable strategies. **can**descence was started in 2004, is based in Charlotte, North Carolina and is owned by its founder, Bob Davies. More information is available at candescence-strategy.com or candescence.typepad.com.